

25 March 1971

MEMORANDUM FOR: Director of Personnel

THROUGH : DD/Pers/P&C

SUBJECT : The New Unified Personnel System of the Department
of State - Its Significance to Agency Management

REFERENCE : Article "Foreign Affairs Specialist Corps is
Established" from the Department of State
Newsletter dated March 1971.

1. This memorandum submits a recommendation for your approval; this recommendation is contained in paragraph 5.

2. The referent is the best statement I've seen of what the Department of State is doing and planning toward its objective of building a "unified personnel system." Action is already under way to convert FSS and Civil Service employees to FSRU appointments with full tenure in the new FAS Corps. Immediately upon such conversion those former Civil Service employees become participants in the Foreign Service Retirement System. In gaining earlier retirement eligibility and higher annuities under that system, they also accept mandatory retirement at age 60. This latter requirement is being phased and will not be fully effective until 1974. Members of the FAS Corps are also subject to selection out. Through this rather drastic and complicated administrative action the Department will unify its personnel system and bring all of its officer personnel under the Foreign Service Retirement System. The Department is accomplishing this in spite of very basic legal distinctions between major groups of its employees (i.e., FSO versus Civil Service).

3. The advantages of similar unification seem at least as desirable for this Agency and the effort to attain it would probably encounter less formidable obstacles. Members of this Agency are already subject to selection out and to mandatory retirement at age 60. One might observe parenthetically that the Agency adapted the latter policy by comparatively precipitous action and without giving its employees under the Civil Service Retirement System anything in return. Further, Agency officers are no less concerned with foreign affairs than are officers of the Department of State and are expected

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to serve wherever the Agency needs them. As in the Department some Agency officers will spend more time in overseas service than others. In all, the situations seem quite parallel. Nothing suggests a reason for this Agency to deny some officers the benefits of the CIA Retirement and Disability System while benefits of the Foreign Service Retirement System are being extended to all officers in the Department of State.

4. This Agency should recognize the inherent value in such a unified personnel system and adopt a similar goal. This would lead to an interpretation of "qualifying service" so as to place all CIA officers under the CIA Retirement and Disability System when they attain Career Employee status. Such positive action would counteract the factors which have tended to fragment this Agency and would help offset the negative influence of management's deep concern with personnel ceiling controls and early retirement. It would strengthen the motivation of our officers by enhancing their sense of mutual interest and personal identification with the Agency.

5. I believe that it is very important to give serious consideration to this proposal lest we become too concerned with the implications of details of the Department's action and lose sight of the forest for the trees. The Department's action is of profound significance in the effect it will have on the management of federal civilian personnel in foreign affairs. We should take the cue and move ahead with similar action in this Agency. If you agree, I recommend that you authorize me to explore with OGC the legal implications of such action.

STATINTL

Chief, Review Staff

ATINTL

CONCUR:

DD/Pers/P&C 0 1

20 Mar 71
Date

The recommendation contained in paragraph 5 is approved.

Harry B. Fisher
Director of Personnel

Date

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